

ARIZONA EXCHANGE

Application Requirements for Qualified Health Plan Certification

Version 7.0, January 3, 2012

Background:

The Patient Protection and Affordable Care Act (ACA) requires that only Qualified Health Plans (QHPs) be allowed to offer coverage through a state or federally operated Health Benefits Exchange (Exchange). The act defines certain requirements to be certified as a QHP. At the federal level, the Center for Consumer Information and Insurance Oversight (CCIIO), within Health and Human Services (HHS), is responsible for Exchange regulations, monitoring and oversight. In 2011, CCIIO published a list of suggested QHP application elements for consideration by states.

Introduction:

For Exchange planning purposes, the State utilized CCIIO's suggested list of QHP application elements as a starting point for research and discussion for the development of Arizona-specific QHP and stand-alone dental plan application elements/requirements. The State engaged a stakeholder group of health insurance carriers operating in Arizona, in addition to the Arizona Department of Insurance (ADOI) and Mercer, a consulting firm, to thoroughly review CCIIO's recommended application elements. The carrier stakeholder work group met several different times to discuss the QHP and stand-alone dental plan application issue and develop the Arizona-specific application elements/requirements.

Process and Timing:

If Arizona operates an Exchange per ACA requirements, the Exchange entity will contract out the QHP certification function to the ADOI, who currently licenses commercial (Title 20) health insurance carriers in Arizona. In order to be reviewed and processed for the initial Exchange open-enrollment period starting October 1, 2013, QHP applications will have to be submitted to ADOI no later than March 1, 2013. ADOI will begin accepting QHP applications on January 2, 2013.

This document presents the current decisions regarding what will be included in the QHP application. The State wanted to get these decisions made in a timely manner to ensure sufficient time for carriers to plan for and develop their QHP offerings. This document and the QHP application elements/requirements are subject to change based on publication of additional federal rules and/or guidance from CCIIO, as well as any State legislation or other policy guidance (e.g., adoption of new or amendment to existing administrative rules).

The State will use the decisions contained in this document to build the actual QHP application form(s). The application forms will include additional detail related to the decisions outlined here. The goal is to have the QHP and stand-alone dental plan applications developed by June 30, 2012 and the necessary information systems developed for processing applications by December 31, 2012.

Decertification and Recertification:

The subject matter contained in this document is strictly related to the initial QHP and stand-alone dental plan applications. The State has not yet made specific, preliminary decisions about the process for decertification and any related, or periodic (such as annual) recertification requirements. Requirements for recertification and decertification will be based on the certification requirements to be completed by June 30, 2012.

1 – Issuer General Information

This information will be Carrier-specific and will only need to be submitted once, per carrier, for all related initial QHP application submissions.

ACA Requirements

This information is not specifically required by the ACA for qualified health plan (QHP) certification.

Arizona QHP Requirements

The QHP issuer will need to be identified and included on the application.

Arizona Dental Requirements

The same issuer general information requirements will apply to dental plans

The application or attached instructions will contain clear directions that the point of contact identified should be the person with primary responsibility for and authority over the carrier's QHP(s) in the Arizona Exchange. The information provided on the application must match the information on file with the Arizona Department of Insurance (ADOI) and represent the legal entity that has the certificate of authority to offer health insurance policies in the State of Arizona.

2 – Issuer Key Management Staff

This information will be Carrier-specific and will only need to be submitted once, per carrier, for all related initial QHP application submissions.

ACA Requirements

This information is not required by the ACA for QHP certification.

Arizona QHP Requirements

- The application will request contact information for the person with key responsibility for Arizona Exchange business.
- QHPs will be required to attest to language similar to, “We certify and attest that we currently have and will maintain appropriate staffing and qualified management to effectively manage this QHP, in addition to all other QHPs that we offer.”

Arizona Dental Requirements

Contact information and attestation language will also be required for the dental application.

3 – Issuer Experience

This information will be Carrier-specific and will only need to be submitted once, per carrier, for all related, initial QHP application submissions.

ACA Requirements

This information is not required by the ACA for QHP certification.

Arizona QHP Requirements

QHPs will be required to attest to language similar to, “We have no corrective action plans in the State of Arizona that have not or will not be addressed by December 31, 2013.” QHPs with corrective action plans will be required to provide copies and necessary explanation.

Arizona Dental Requirements

The dental application will also require an attestation.

ADOI already has experience on each carrier and therefore will not require additional information on issuer experience in the application.

4 – Administrative Management

This information will be Carrier-specific and will only need to be submitted once, per carrier, for all related initial QHP application submissions.

ACA Requirements

This information is not required by the ACA for QHP certification.

Arizona QHP Requirements

QHPs will be required to attest to language similar to, “We certify that we have an appropriate administrative structure, and will add and maintain all necessary administrative capacity to effectively administer this QHP, in addition to all other QHPs that we offer.”

Arizona Dental Requirements

The dental application will also require an attestation.

5 – Licensure and Financial Condition

This information will be Carrier-specific and will only need to be submitted once, per carrier, for all related initial QHP application submissions.

ACA Requirements

A QHP issuer must be licensed and in good standing to offer health insurance coverage in each state in which the issuer offers health insurance coverage (*45 CFR Part 156.200(b)(4)*).

Arizona QHP Requirements

- The application will request licensure and financial condition information.
- QHPs will be required to attest to language similar to, “We certify that we are licensed to sell health insurance in the state of Arizona, and are in good standing, and will maintain good standing and appropriate solvency levels consistent with the addition of this new business.”

Arizona Dental Requirements

The dental application will also require an attestation.

6 – Plan Benefit Design

This information will be QHP-specific and will need to be included for each QHP in the carrier's submission.

ACA Requirements

A QHP issuer must submit rate and benefit information to the Exchange pursuant to 45 CFR Part 155.1020 (45 CFR Part 156.210(b)).

Benefit and rate information:

The Exchange must receive the following information, at least annually, from QHP issuers for each QHP in a form and manner to be specified by HHS:

- (1) Rates
- (2) Covered benefits
- (3) Cost-sharing requirements

(45 CFR Part 155.1020(3)(c))

Arizona QHP Requirements

- QHPs must complete an actuarial certification of benefit level (i.e., that the plan is actuarial equivalent to the metal level proposed) and include plan benefit design information in a form and manner to be specified by HHS.
- The detailed contract should also be included in the certification application.

Arizona Dental Requirements

The same information will be requested separately in the dental application; however actuarial certification will **not** apply unless required by HHS.

7 – Rates

This information will be QHP-specific and will need to be included for each QHP in the carrier's submission.

ACA Requirements

General rate requirement: A QHP issuer must set rates for an entire benefit year, or for the SHOP plan year. (45 CFR Part 156.210(a))

Rate and benefit submission: A QHP issuer must submit rate and benefit information to the Exchange pursuant to 45 CFR Part 155.1010. (45 CFR Part 156.210(b))

Rate justification: A QHP issuer must submit a justification for a rate increase prior to the implementation of the increase. A QHP issuer must prominently post the justification on its Web site. (45 CFR Part 156.210(c))

Arizona QHP Requirements

Rate and rate justification will be required in the form and manner to be specified by HHS and the State.

Arizona Dental Requirements

Rate and rate justification will be required for the dental application.

At this time, HHS has not further defined specific information related to rates.

8 – Quality Information (Quality Reporting)

This information will be Carrier-specific and will only need to be submitted once, per carrier, for all related initial QHP application submissions.

ACA Requirements

The Secretary shall, by regulation, establish criteria for the certification of health plans as qualified health plans. Such criteria shall require that, to be certified, a plan shall, at a minimum,...

(H) provide information to enrollees and prospective enrollees, and to each Exchange in which the plan is offered, on any quality measures for health plan performance endorsed under section 399JJ of the Public Health Services Act, as applicable, and

(I) report to the Secretary at least annually and in such manner as the Secretary shall require, pediatric quality reporting measures consistent with the pediatric quality reporting measures established under section 1139A of the Social Security Act. (Section 1311(c)(1)(H)&(I))

QHP issuers must disclose and report on:

- Health care quality and outcomes measures
- Implement and report on Quality Improvement Strategy(s) consistent with 1311(g)
- Enrollee satisfaction surveys consistent with section 1311(c)(4) (covered later in the Performance Information section)

(45 CFR Part 156.200(b)(5))

Note: Specific measures related to health care quality and outcomes have not been further defined by HHS.

Arizona QHP Requirements

QHPs will be required to report Arizona-specific quality information (as “quality information” will be defined by HHS) to satisfy ACA quality reporting requirements.

Arizona Dental Requirements

Quality reporting will **not** be required for the dental application.

In an effort to ensure equal comparison of data between QHPs and to minimize administrative burden to the Exchange, health care quality and outcome measures should be reported in a consistent format as defined by HHS or the State of Arizona.

9 – Quality Information (Quality Strategy)

This information will be Carrier-specific and will only need to be submitted once, per carrier, for all related initial QHP application submissions.

ACA Requirements

QHP issuers must implement and report on quality improvement strategy or strategies consistent with 1311(g)(1) of the ACA (45 CFR Part 156.200(b)(5). *Note: This is the same cite as for the previous requirement, #1, as it is one of the three quality requirements listed.)*

(g) REWARDING QUALITY THROUGH MARKET-BASED INCENTIVES:

(1) STRATEGY DESCRIBED – A strategy described in this paragraph is a payment structure that provides increased reimbursement or other incentives for:

(A) Improving health outcomes through the implementation of activities that shall include quality reporting, effective case management, care coordination, chronic disease management, medication and care compliance initiatives, including through the use of the medical home model, for treatment or services under the plan or coverage.

(B) the implementation of activities to prevent hospital readmissions through a comprehensive program for hospital discharge that includes patient-centered education and counseling, comprehensive discharge planning, and post discharge reinforcement by an appropriate health care professional..

(C) the implementation of activities to improve patient safety and reduce medical errors through the appropriate use of best clinical practices, evidence based medicine, and health information technology under the plan or coverage;

(D) the implementation of wellness and health promotion activities; and

(E) [as added by section 10104(g)] the implementation of activities to reduce health and health care disparities, including through the use of language services, community outreach, and cultural competency trainings.

(2) The Secretary, in consultation with experts in health care quality and stakeholders, shall develop guidelines concerning the matters described in paragraph (1).

(Section 1311 (g) of the ACA)

Arizona QHP Requirements

- Quality improvement information will **not** be requested in the application from accredited QHPs, but an attestation that addresses the required elements from this section will be included.
- Accreditation status for QHPs will meet the quality strategy requirements if the accreditation adequately covers all required elements of the quality strategy requirements, including the guidelines to be developed by HHS.
- For plans that have not been accredited, this requirement will apply and a written quality improvement strategy must be submitted.

Arizona Dental Requirements

The attestation of a quality strategy will **not** be required for the dental application.

10 – Quality Information (Accreditation)

This information will be Carrier-specific and will only need to be submitted once, per carrier, for all related initial QHP application submissions.

ACA Requirements

To be certified, a plan shall at a minimum ... (i) be accredited with respect to local performance on clinical quality measures such as the Healthcare Effectiveness Data and Information Set, patient experience ratings on a standardized Consumer Assessment of Healthcare Providers and Systems survey, as well as consumer access, utilization management, quality assurance, provider credentialing, complaints and appeals, network adequacy and access, and patient information programs by any entity recognized by the Secretary for the accreditation of health insurance issuers or plans (so long as any such entity has transparent and rigorous methodological and scoring criteria), or (ii) receive such accreditation within a period established by the Exchange for such accreditation that is applicable to all qualified health plans. (Section 1311 (c)(1)(D) of the ACA)

Arizona QHP Requirements

- Accept all HHS accrediting entities, as long as they cover the basic ACA requirements.
- Accreditation must cover the carrier's Arizona operations.
- There will be a **one-year** grace period for compliance for plans that are not accredited at the time of application. For QHPs within the grace period, an attestation that the plan has applied for accreditation and an updated application status will be required.

Arizona Dental Requirements

This information will **not** be required for the dental application.

Because of the reliance ADOI will be placing on accreditation, additional quality information will be required of plans in the grace period that have not yet obtained their accreditation.

11 – Quality Information (Pharmacy Utilization Management Program)

This information will be Carrier-specific and will only need to be submitted once per carrier for all related initial QHP application submissions.

ACA Requirements

A QHP issuer must provide to HHS the following information:

- The percentage of all prescriptions that were provided under the QHP through retail pharmacies compared to mail order pharmacies, and the percentage of prescriptions for which a generic drug was available and dispensed compared to all drugs dispensed, broken down by pharmacy type,... (Section 156.295(a)(1))
- The aggregate amount, and the type of rebates, discounts or price concessions...(Section 156.295(a)(2))
- The aggregate amount of the difference between the amount the QHP issuer pays its contracted PBM and the amounts that the PBM pays retail pharmacies, and mail order pharmacies, and the total number of prescriptions that were dispensed (Section 156.295(a)(3))

Arizona QHP Requirements

- The reporting requirements of this section will be included in the attestation language.
- The Exchange will monitor QHP reporting against this requirement.

Arizona Dental Requirements

Attestation will **not** be required for the dental application.

12 – Quality Information (Quality Rating Data)

This information will be Carrier-specific and will only need to be submitted once, per carrier, for all related initial QHP application submissions.

ACA Requirements

The Secretary shall develop a rating system that would rate qualified health plans offered through an Exchange in each benefits level on the basis of the relative quality and price. The Exchange shall include the quality rating in the information provided to individuals and employers through the Internet portal established under paragraph (4) (*Section 1311(c)(3) of the ACA*).

Arizona QHP Requirements

Quality rating information will be requested in the application.

Arizona Dental Requirements

Quality rating information will be required for the dental application only if HHS requires it.

ADOI will request the quality rating data from the carriers that will be necessary to provide, implement and maintain the quality rating system developed by HHS. Reporting of quality data will be in a single form and format (to be determined).

13 – Performance Information

This information will be Carrier-specific and will only need to be submitted once, per carrier, for all related initial QHP application submissions.

ACA Requirements

- The Secretary shall develop an enrollee satisfaction survey system that would evaluate the level of enrollee satisfaction with qualified health plans offered through an Exchange, for each such qualified health plan that had more than 500 enrollees in the previous year. The Exchange shall include the enrollee satisfaction information in the information provided to individuals and employers through the Internet portal established under paragraph (5) in a manner that allows individuals to easily compare enrollee satisfaction levels between comparable plans. *(Section 1311(c)(4) of the ACA)*
- A QHP issuer must provide the following information in accordance with the standards in paragraph (b) of this section:
 - Claims payment policies and practices
 - Periodic financial disclosures
 - Data on enrollment
 - Data on disenrollment
 - Data on the number of claims that are denied
 - Data on rating practices
 - Information on cost-sharing and payments with respect to any out-of-network coverage and
 - Information on enrollee rights under Title I of the Affordable Care Act*(45 CFR Part 156.220(a))*

Arizona QHP Requirements

- The performance information requirements of this section will be included in the attestation language.
- QHPs will be required to use the enrollee satisfaction survey system developed by the HHS Secretary and report results to the Exchange.
- The Exchange will require reporting only on the information that is required in 45 CFR Part 156.220.

Arizona Dental Requirements

It has not been decided whether performance information will be required for the dental application.

QHPs will be asked to include any additional performance information reporting that surfaces as a requirement.

14 – Service Area

This information will be QHP-specific and will need to be included for each QHP in the carrier's submission.

ACA Requirements

- The Exchange must have a process to establish or evaluate the service areas of QHPs to determine whether the following minimum criteria are met:
 - The service area of a QHP covers a minimum geographical area that is at least the entire geographic area of a county, or a group of counties defined by the Exchange, unless the Exchange determines that serving a smaller geographic area is necessary, nondiscriminatory, and in the best interest of the qualified individuals and employers.
 - The service area of a QHP has been established without regard to racial, ethnic, language, health status-related factors listed in section 2705(a) of the PHS Act, or other factors that exclude specific high utilizing, high cost or medically-underserved populations.

(45 CFR Part 156.1055)

Arizona QHP Requirements

- Service area information will be requested in the application.
- QHPs will be asked to include a list of areas to be served by the plan in the application.

Arizona Dental Requirements

Service area information will also be included in the dental application.

PPOs and indemnity plans are expected to provide statewide coverage and HMOs will continue to be allowed to apply for less than statewide coverage. Additional service area specifications to be defined by the Exchange.

15 – Provider Data

This information will be QHP-specific and will need to be included for each QHP in the carrier's submission.

ACA Requirement

- Ensure a sufficient choice of providers (in a manner consistent with applicable network adequacy provisions under section 2702(c) of the Public Health Service Act), and provide information to enrollees and prospective enrollees on the availability of in-network and out-of-network providers. (ACA Section 1311(c)(1)(B))
- Include within health insurance plan networks those essential community providers, where available, that serve predominately low-income, medically-underserved individuals, such as health care providers defined in section 340B(a)(4) of the Public Health Service Act and providers described in section 1927(c)(1)(D)(i)(IV) of the Social Security Act as set forth by section 221 of Public Law 111–8, except that nothing in this subparagraph shall be construed to require any health plan to provide coverage for any specific medical procedure. (ACA Section 1311(c)(1)(C))

Arizona QHP Requirements

- For HCSOs and PPOs, the Arizona Exchange will enforce the network adequacy and essential provider requirements under ACA, unless the existing rules in Arizona are stricter, in which case the Arizona rules will be followed.
- Provider network reporting requirements will be developed based on a standardized format to be developed, or adopted, by ADOL.
- Carriers will be required to attest that their network is sufficient and that they have essential community providers.

Arizona Dental Requirements

Provider network information should also be required for the dental application.

16 – Attestations

This information will be QHP-specific and will need to be included for each QHP in the carrier's submission.

ACA Requirements

- Comply with the minimum certification standards set forth in 45 CFR Subpart C of Part 156, with respect to each QHP on an ongoing basis:
 - Comply with Exchange processes, procedures, and requirements set forth pursuant to 45 CFR Subpart K of Part 155 and, in the small group market, Part 155.705 of Subpart H.
 - Ensure that each QHP complies with benefit design standards, as defined in 45 CFR Part 156.20.
 - Be licensed and in good standing to offer health insurance coverage in each State in which the issuer offers health insurance coverage.
 - Implement and report on a quality improvement strategy or strategies consistent with the standards of Section 1311(g) of the ACA, disclose and report information on health care quality and outcomes described in Sections 1311(c)(1)(H) and (I) of the ACA, and implement appropriate enrollee satisfaction surveys consistent with Section 1311(c)(4) of the ACA.
 - Pay any applicable user fees assessed under 45 CFR Part 156.50.
 - Comply with the standards related to the risk adjustment program under 45 CFR Part 153.

Arizona QHP Requirements

- Attestations will be included on the application.
- The attestation language will cover the ACA requirements listed above, and will include specific attestations where agreed to in the other sections of this document.
- Attestations will cover QHPs existing operations as well as the contractual commitment to meet Exchange requirements on an on-going basis.

Arizona Dental Requirements

Some of the same attestation language will apply to dental plans, but there may also be attestations that are unique to medical or dental.

17 – User Fees

This information will be QHP-specific and will need to be included for each QHP in the carrier's submission.

ACA Requirements

Pay any applicable user fees assessed under 45 CFR Part 156.50 (45 CFR Part 156.200(b)(6))

Arizona QHP Requirements

Include in attestation language, as applicable.

Arizona Dental Requirements

User fee requirements will also apply to dental plans.

18 – Risk Adjustment and Transitional Reinsurance

This information will be QHP-specific and will need to be included for each QHP in the carrier's submission.

ACA Requirements

Comply with the standards related to the risk adjustment program under 45 CFR Part 153 (45 CFR Part 156.200(b)(7))

Arizona QHP Requirement

QHPs will be required to attest that they will comply with risk adjustment and transitional reinsurance requirements.

Arizona Dental Requirements

Risk adjustment and transitional reinsurance requirements will **not** apply to dental plans.